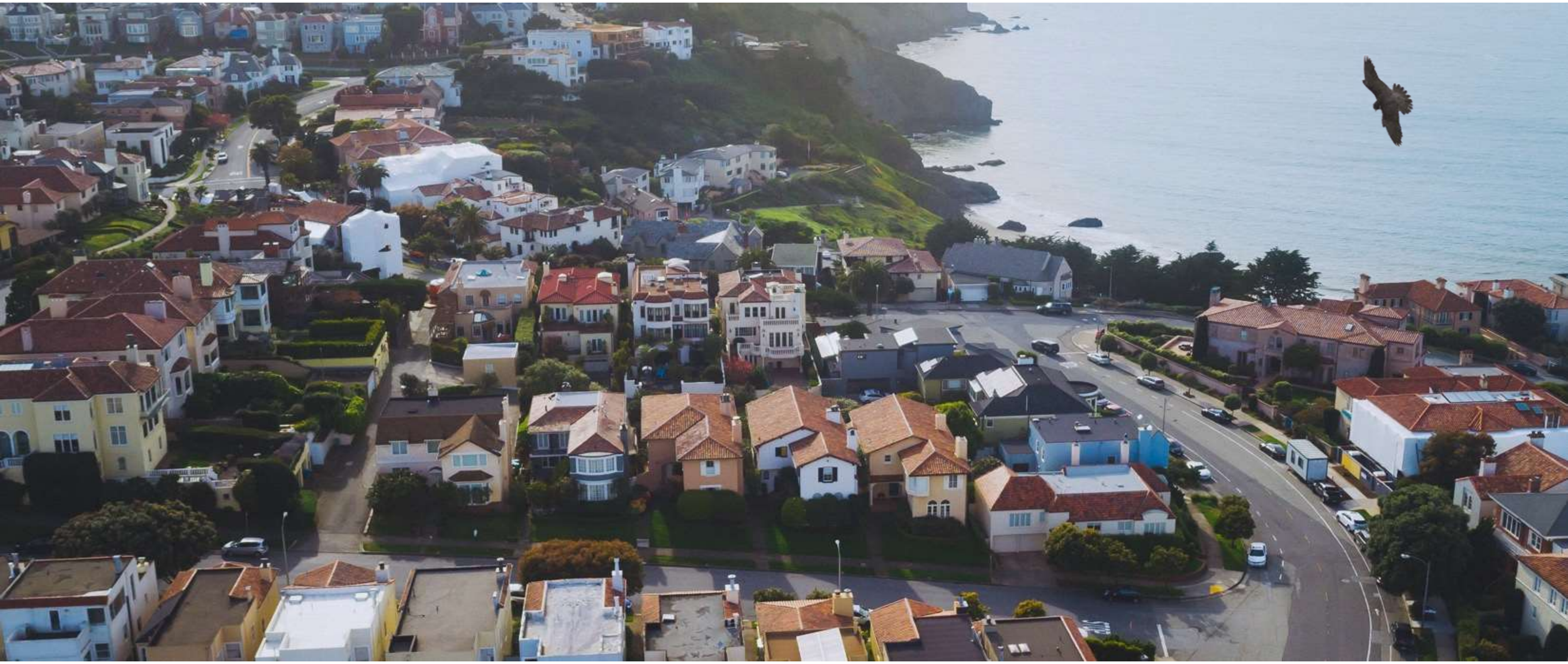
Ellington Financial



Earnings Conference Call

May 6, 2022

Q1
2022

Important Notice

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve numerous risks and uncertainties. Our actual results may differ from our beliefs, expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements are not historical in nature and can be identified by words such as “believe,” “expect,” “anticipate,” “estimate,” “project,” “plan,” “continue,” “intend,” “should,” “would,” “could,” “goal,” “objective,” “will,” “may,” “seek,” or similar expressions or their negative forms, or by references to strategy, plans, or intentions. Examples of forward-looking statements in this presentation include statements regarding our portfolio composition, our ability to obtain financing, our expected dividend payment schedule, our ability to shift capital across different asset classes, our ability to hedge, our ability to grow our proprietary loan origination businesses, and our ability to maintain our earnings, among others.

The Company's results can fluctuate from month to month and from quarter to quarter depending on a variety of factors, some of which are beyond the Company's control and/or are difficult to predict, including, without limitation, changes in interest rates and the market value of the Company's investments, changes in mortgage default rates and prepayment rates, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940, the Company’s ability to maintain its qualification as a real estate investment trust, or “REIT,” and other changes in market conditions and economic trends, including changes resulting from the economic effects related to the novel coronavirus (COVID-19) pandemic, and associated responses to the pandemic. Furthermore, forward-looking statements are subject to risks and uncertainties, including, among other things, those described under Item 1A of our Annual Report on Form 10-K which can be accessed through the Company’s website at www.ellingtonfinancial.com or at the SEC’s website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected may be described from time to time in reports we file with the SEC, including reports on Form 10-Q, 10-K and 8-K. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Modeling

Some statements in this presentation may be derived from proprietary models developed by Ellington Management Group, L.L.C. (“Ellington”). Some examples provided may be based upon the hypothetical performance of such models. Models, however, are inherently imperfect and subject to a number of risks, including that the underlying data used by the models is incorrect, inaccurate, or incomplete, or that the models rely upon assumptions that may prove to be incorrect. The utility of model-based information is highly limited. The information is designed to illustrate Ellington’s current view and expectations and is based on a number of assumptions and limitations, including those specified herein. Certain models make use of discretionary settings or parameters which can have a material effect on the output of the model. Ellington exercises discretion as to which settings or parameters to use in different situations, including using different settings or parameters to model different securities. Actual results and events may differ materially from those described by such models.

Example Analyses

The example analyses included herein are for illustrative purposes only and are intended to illustrate Ellington’s analytic approach. They are not and should not be considered a recommendation to purchase or sell any security or a projection of the Company’s future results or performance. The example analyses are only as of the date specified and do not reflect changes since that time.

Projected Yields and Spreads

Projected yields and spreads discussed herein are based upon Ellington models and rely on a number of assumptions, including as to prepayment, default and interest rates and changes in home prices. Such models are inherently imperfect and there is no assurance that any particular investment will perform as predicted by the models, or that any such investment will be profitable. Projected yields are presented for the purposes of (i) providing insight into the strategy’s objectives, (ii) detailing anticipated risk and reward characteristics in order to facilitate comparisons with other investments, (iii) illustrating Ellington’s current views and expectations, and (iv) aiding future evaluations of performance. They are not a guarantee of future performance. They are based upon assumptions regarding current and future events and conditions, which may not prove to be accurate. There can be no assurance that the projected yields will be achieved. Investments involve risk of loss.

Financial Information

All financial information included in this presentation is as of March 31, 2022 unless otherwise indicated. We undertake no duty or obligation to update this presentation to reflect subsequent events or developments.

First Quarter Highlights[1]

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Overall Results	• Net loss: $(9.9) million or $(0.17) per share • Economic return:[2] (1.1)% for the quarter • Core Earnings:[3] $23.2 million or $0.40 per share
Credit Strategy	• Credit gross income: $16.5 million[4] or $0.28 per share • Long credit portfolio: $2.301 billion[5][6], an 11% increase from the prior quarter
Agency RMBS Strategy	• Agency gross loss: $(20.1) million[4] or $(0.34) per share • Long Agency portfolio: $1.502 billion, an 11% decrease from the prior quarter
Equity & BVPS	• Total equity: $1.323 billion • Book value per common share: $17.74 after total dividends declared of $0.45 for the quarter
Dividends	• Dividend yield of 10.7% based on the 5/4/2022 closing price of $16.86, and monthly dividend of $0.15 per common share declared on 5/2/2022

Leverage Below Sector Average	• Debt-to-equity ratio: 3.2x[7]
	  • Recourse debt-to-equity ratio: 2.3x[8]
	  • Includes $296 million of unsecured notes rated single-A[9]
	• Cash and cash equivalents of $363.5 million, in addition to other unencumbered assets of $632.5 million

Strong Alignment of Interests	• Management and directors own approximately 6% of EFC[10]
Senior Note Offering	• Issued $210 million of 5.875% 5-year senior unsecured notes rated single-A[9]

Portfolio Summary as of March 31, 2022[1]

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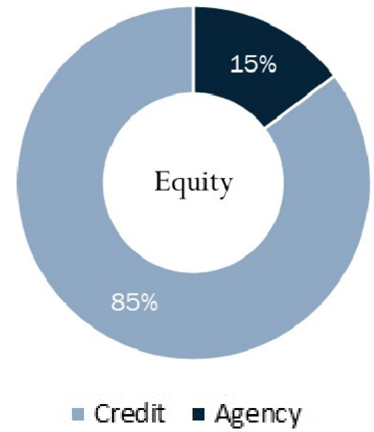
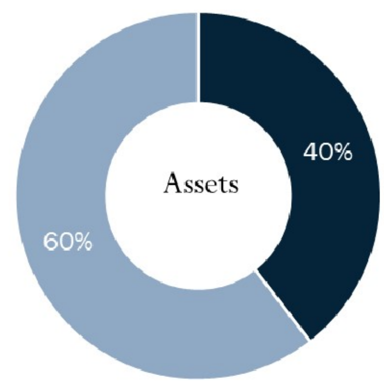
Proprietary portfolio of high-yielding, short-duration loans, and opportunistic securities

Strategy	Allocated Equity[2]	Fair Value ($ in $1,000s)	Average Price (%)[3][7]	WAVG Life[5][7]	WAVG Mkt Yield[6][7]
Credit					
Residential Mortgage Loans and REO[8][9]		$ 1,231,723	97.3	3.0	5.9%
CMBS and Commercial Mortgage Loans and REO[9][10]		547,921	94.3	1.7	6.9%
Non-Agency RMBS		186,452	78.3	5.4	7.8%
Debt and Equity Investments in Loan Origination Entities		135,420	N/A	N/A	N/A
Consumer Loans and ABS[11]		110,167	-[4]	1.3	16.1%
CLOs[11]		45,549	63.9	3.3	22.9%
Non-Dollar MBS, ABS, CLO and Other[11][12]		26,974	74.4	1.5	9.0%
Corporate Debt and Equity and Corporate Loans		16,651	39.7	2.4	14.3%
Total - Credit	**85%**	**$ 2,300,857**	**92.8**	**2.8**	**7.3%**
Agency					
Fixed-Rate Specified Pools		$ 1,417,717	98.6	7.5	3.1%
Reverse Mortgage Pools		49,216	103.2	4.2	3.2%
IOs		26,620	N/A	5.3	14.4%
Floating-Rate Specified Pools		8,938	101.7	5.1	3.3%
Total - Agency	**15%**	**$ 1,502,491**	**97.6**	**7.3**	**3.2%**

Debt-to-Equity Ratio by Strategy and Overall	
Credit	2.5x[13]
Agency	7.7x[13]
Overall	3.2x[14]
Overall Recourse	2.3x[15]

Equity and Asset Allocation by Strategy





- **Residential Mortgage Loans and REO**[8][9] consist of non-QM loans ($796.2mm), residential transition loans ($419.2mm), other residential loans ($15.0mm), and REO ($1.3mm)
- **Debt and Equity Investments in Loan Origination Entities** consist of Longbridge Financial ($71.3mm), LendSure ($41.2mm), and other loan originators ($22.9mm)

Operating Results by Strategy

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(In thousands, except per share amounts)	Three-Month Period Ended March 31, 2022	Per Share	Three-Month Period Ended December 31, 2021[1]	Per Share
Credit:				
Interest income and other income[2]	44,506	$ 0.76	$ 41,647	$ 0.73
Realized gain (loss), net	7,339	0.13	(497)	(0.01)
Unrealized gain (loss), net[3]	(23,832)	(0.41)	(7,704)	(0.13)
Interest rate hedges, net[4]	13,930	0.24	3,903	0.07
Credit hedges and other activities, net[5]	1,420	0.02	(405)	(0.01)
Interest expense[6]	(12,245)	(0.21)	(9,521)	(0.17)
Other investment related expenses	(9,073)	(0.16)	(5,979)	(0.10)
Earnings (losses) from investments in unconsolidated entities	(5,506)	(0.09)	30,318	0.53
Total Credit profit (loss)	**$ 16,539**	**$ 0.28**	**$ 51,762**	**$ 0.91**
Agency RMBS:				
Interest income	8,198	0.14	10,527	0.18
Realized gain (loss), net	(12,398)	(0.21)	(1,116)	(0.02)
Unrealized gain (loss), net	(75,283)	(1.29)	(17,242)	(0.30)
Interest rate hedges and other activities, net[4]	61,172	1.05	7,347	0.13
Interest expense[6]	(1,176)	(0.02)	(958)	(0.02)
Other investment related expenses	(610)	(0.01)	-	-
Total Agency RMBS profit (loss)	**$ (20,097)**	**$ (0.34)**	**$ (1,442)**	**$ (0.03)**
Total Credit and Agency RMBS profit (loss)	**$ (3,558)**	**$ (0.06)**	**$ 50,320**	**$ 0.88**
Other interest income (expense), net	(16)	-	(13)	-
Income tax (expense) benefit	6,960	0.12	4	-
Other expenses	(9,884)	(0.17)	(8,215)	(0.14)
Net income (loss) (before incentive fee)	(6,498)	(0.11)	42,096	0.74
Incentive fee	-	-	(3,246)	(0.06)
Net income (loss)	**$ (6,498)**	**$ (0.11)**	**$ 38,850**	**$ 0.68**
Less: Dividends on preferred stock	3,824	0.07	2,295	0.04
Less: Net income (loss) attributable to non-participating non-controlling interests	(294)	(0.01)	1,864	0.03
Net income (loss) attributable to common stockholders and participating non-controlling interests	(10,028)	(0.17)	34,691	0.61
Less: Net income (loss) attributable to participating non-controlling interests	(126)		420	
Net income (loss) attributable to common stockholders	**$ (9,902)**	**$ (0.17)**	**$ 34,271**	**$ 0.61**
Weighted average shares of common stock and convertible units[7] outstanding	58,347		57,263	
Weighted average shares of common stock outstanding	57,614		56,569	

Long Credit Portfolio*

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As of 3/31/2022[1]

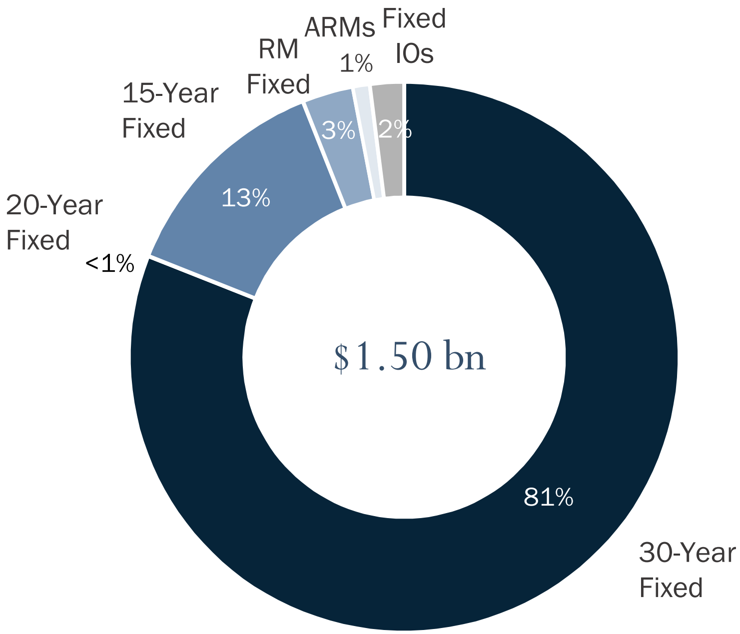
As of 12/31/2021[1]

Total size of long credit portfolio increased by 11% in the first quarter	Larger non-QM and residential transition loan portfolios drove the growth in our Residential Loans & REO portfolio	CMBS & Commercial Loans & REO increased as well, driven by growth of our commercial mortgage loan origination business	Consumer loans declined sequentially due to the successful completion of a loan securitization, and opportunistic sales of CLOs decreased the size of that portfolio

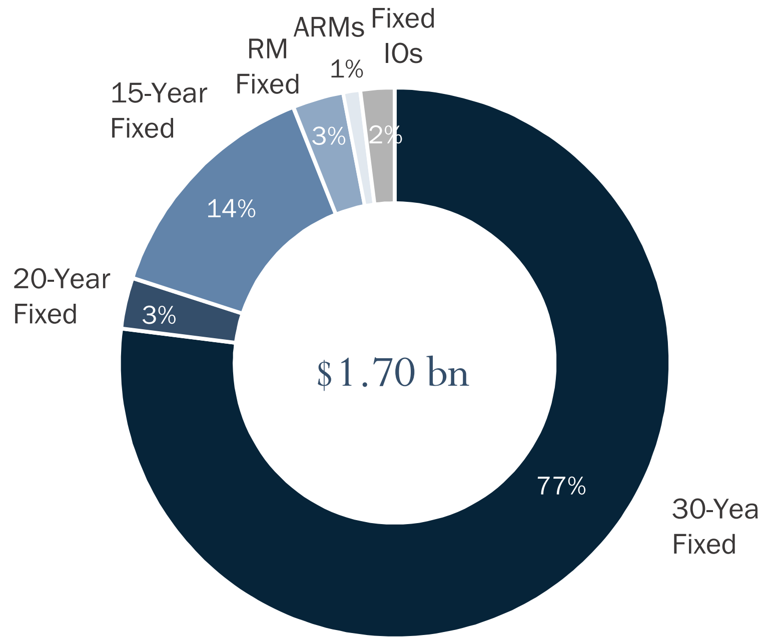
*Excludes non-retained tranches of the Company's consolidated non-QM securitization trusts

Long Agency Portfolio

Ellington Financial



As of 3/31/2022[1]



As of 12/31/2021[1]

Category	Fair Value[1] (*$ in MMs*)	Wtd. Avg. Coupon[2]
30-Year Fixed	$ 1,217.7	2.98%
20-Year Fixed	7.5	2.42%
15-Year Fixed	192.5	2.57%
RM Fixed	49.2	3.19%
Subtotal - Fixed	**$ 1,466.9**	**2.93%**
ARMs	8.9	
Fixed IOs	26.6	
Total	**$ 1,502.4**	

Category	Fair Value[1] (*$ in MMs*)	Wtd. Avg. Coupon[2]
30-Year Fixed	$ 1,320.4	3.01%
20-Year Fixed	47.9	2.42%
15-Year Fixed	232.6	2.65%
RM Fixed	53.0	3.06%
Subtotal - Fixed	**$ 1,653.9**	**2.95%**
ARMs	9.5	
Fixed IOs	33.3	
Total	**$ 1,696.7**	

- Agency RMBS portfolio decreased by 11% quarter over quarter, driven by net sales and mark-to-market declines

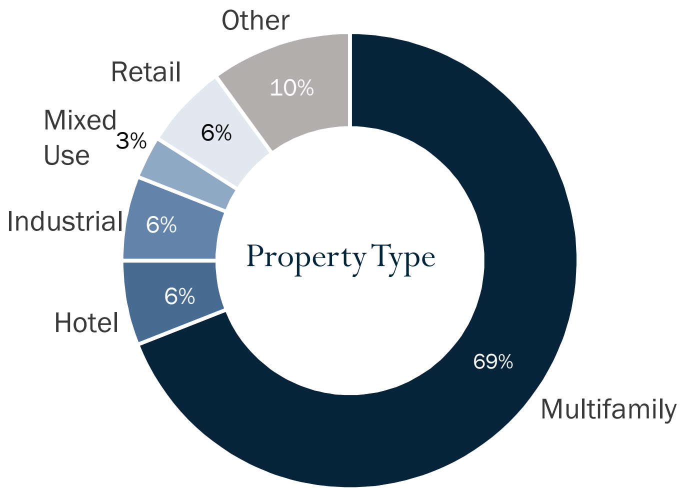
($ in thousands)	As of 3/31/2022		Three-Month Period Ended 3/31/22	
Collateral Type	Outstanding Borrowings	Weighted Average Borrowing Rate	Average Borrowings	Average Cost of Funds
Credit[1]	$2,484,015	2.18%	$ 2,199,651	2.07%
Agency RMBS	1,498,106	0.31%	1,563,201	0.24%
Borrowings — Credit and Agency RMBS	$ 3,982,121	1.48%	$ 3,762,852	1.31%
U.S. Treasury Securities	-	-	-	-
Borrowings — including U.S. Treasury Securities	$ 3,982,121	1.48%	$ 3,762,852	1.31%
Senior Notes, at par	296,000	5.85%	88,333	5.81%
Total Borrowings	**$ 4,278,121**	**1.78%**	**$ 3,851,185**	**1.41%**

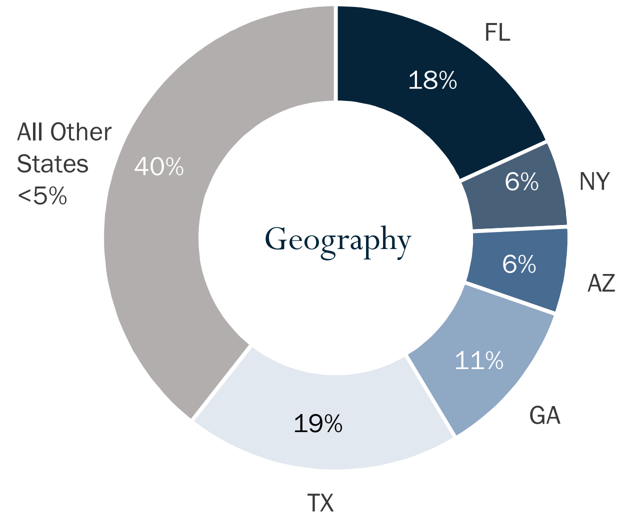
Recourse and Non-Recourse Leverage Summary[2]

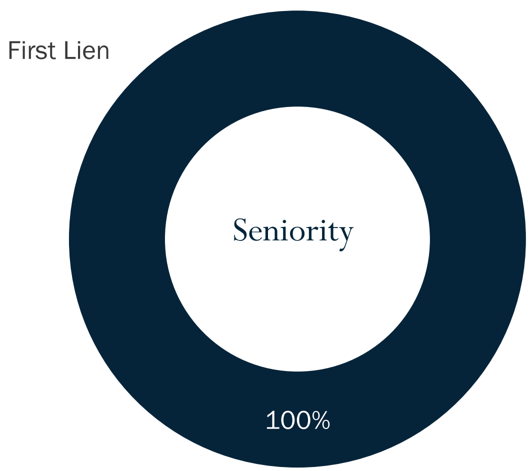
As of 3/31/2022

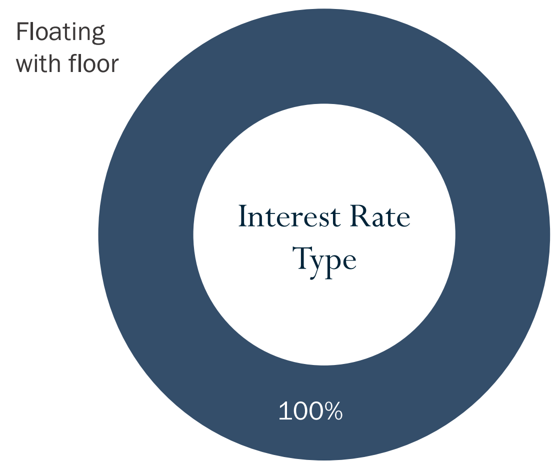
Recourse Borrowings	$ 3,061,579	Recourse Debt-to-Equity Ratio[3]	2.3:1
Non-Recourse Borrowings	$ 1,216,542	*Net of Unsettled Purchases/Sales*	*2.3:1*
Total Borrowings	$ 4,278,121	Total Debt-to-Equity Ratio[4]	3.2:1
Total Equity	$ 1,322,938	*Net of Unsettled Purchases/Sales*	*3.2:1*

Small Balance Commercial Mortgage Loan Portfolio – Detail(1)(2)









- Small balance commercial mortgage loan portfolio is diversified geographically and across property types, with a tactical focus on multi-family
- All investments are first liens
- All investments are floating rate loans that benefit from interest rate floors

Proprietary Loan Origination Businesses

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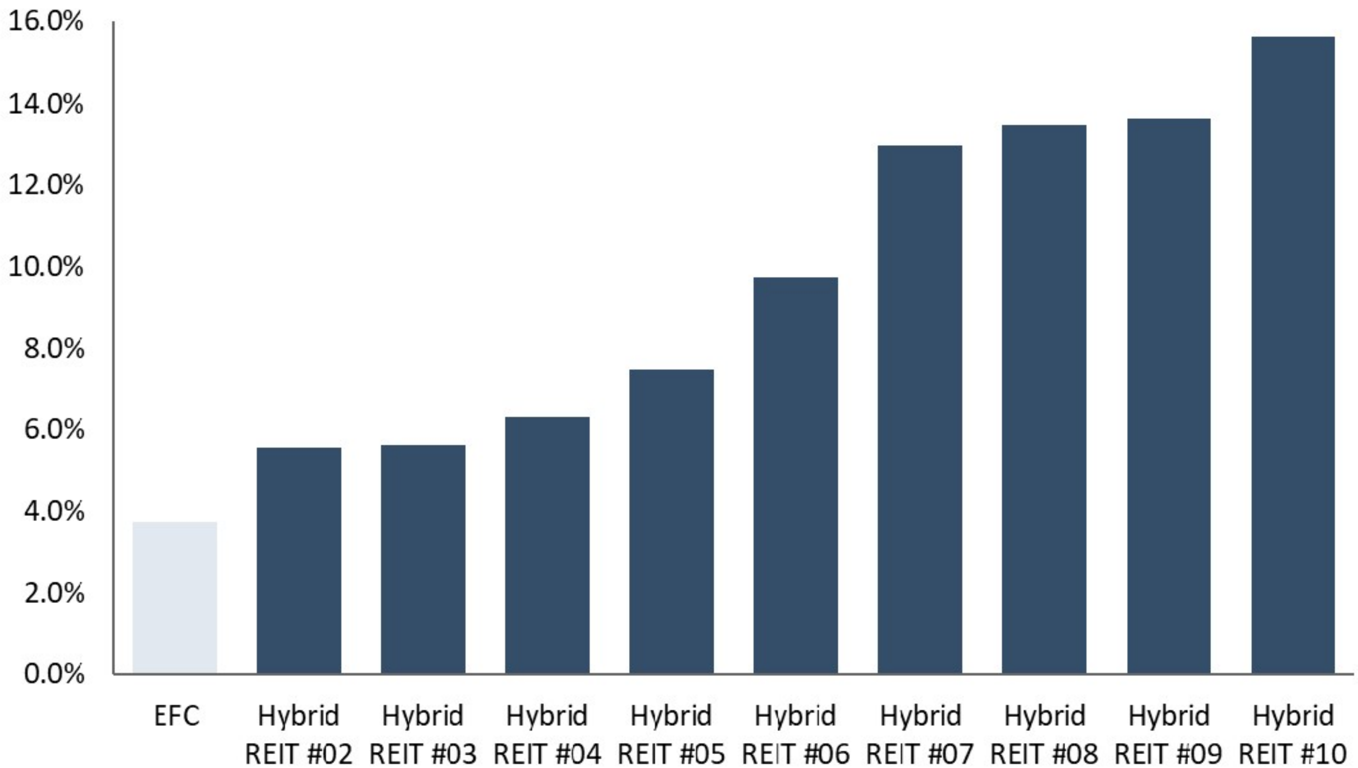
Ellington Financial's vertically integrated, proprietary loan origination businesses are designed to:

- Lock in a steady flow of high-quality loan originations
- Leverage Ellington's core strengths of data analysis and modeling to help shape the underwriting criteria of the loans
- Generate highly attractive ROE profiles
- Represent significant potential upside to book value
- Fill lending void left by banks facing strict post-global financial crisis regulations

	1	2	3	4	5	
	Non-QM Loans[1]	Small Balance Commercial Loans[2]	Residential Transition Loans	Consumer Loans	Reverse Mortgage Loans	
Strategic Originator Investment(s)	√	√	√	√	√	
Joint Ventures and/or Flow Agreements	√	√	√	√	-	
In-House Origination Team	-	√	√	-	-	
						Total
Loans Acquired During Quarter *($mm)*	$496.1	$267.8	$227.0	$29.7	-	$1,020.6
Total Loan Fair Value at Quarter-End *($mm)*	$796.2	$683.8	$419.2	$86.3	-	$1,985.5

Stable Economic Return

Standard Deviation of Quarterly Economic Returns of Hybrid REITs, Q1-2011 – Q4-2021(1)(2)



Company	Standard Deviation
EFC	3.7%
Hybrid REIT #02	5.5%
Hybrid REIT #03	5.6%
Hybrid REIT #04	6.3%
Hybrid REIT #05	7.5%
Hybrid REIT #06	9.7%
Hybrid REIT #07	12.9%
Hybrid REIT #08	13.4%
Hybrid REIT #09	13.6%
Hybrid REIT #10	15.6%

- EFC has produced the most consistent quarterly returns among its peer group with significantly lower earnings volatility, thanks to our dynamic hedging strategies, diversification and active portfolio management

Interest Rate Sensitivity Analysis[1]

Ellington Financial

	Estimated Change in Fair Value			
	50 Basis Point Decline in Interest Rates		50 Basis Point Increase in Interest Rates	
($ in thousands)	Δ Fair Value	% of Total Equity	Δ Fair Value	% of Total Equity
Agency RMBS – Fixed Pools and IOs excluding TBAs	$ 35,074	2.65%	$ (37,062)	-2.80%
Long TBAs	-	-	-	-
Short TBAs	(12,371)	-0.94%	13,199	1.00%
Agency RMBS - ARM Pools	293	0.02%	(333)	-0.03%
Non-Agency RMBS, CMBS, ABS, and Mortgage Loans	9,592	0.73%	(12,645)	-0.96%
Interest Rate Swaps	(17,090)	-1.29%	16,445	1.25%
U.S. Treasury Securities	(1,210)	-0.09%	1,178	0.09%
Eurodollar and Treasury Futures	(6,825)	-0.52%	6,663	0.50%
Corporate Securities and Other	4	0.00%	(3)	0.00%
Repurchase Agreements, Reverse Repurchase Agreements, and Senior Notes	(5,817)	-0.44%	6,954	0.53%
Total	**$ 1,650**	**0.12%**	**$ (5,605)**	**-0.42%**
Less: Estimated Change in Fair Value attributable to Preferred Stock	(3,670)		3,601	
Estimated Change in Fair Value attributable to Common Stock	**$ (2,020)**		**$ (2,004)**	
As % of Common Equity	**-0.18%**		**-0.18%**	

- EFC's dynamic interest rate hedging, along with the short duration of many of our loan portfolios, reduces our exposure to fluctuations in interest rates
- Diversified fixed income portfolio, after taking into account hedges, borrowings, and the interest rate sensitivity of preferred stock outstanding, results in an effective duration to the common stock of less than one year

Commitment to ESG

Ellington is committed to corporate social responsibility. We recognize the importance of environmental, social and governance ("ESG") factors, and believe that the implementation of ESG policies will benefit our employees, support long-term stockholder performance, and make a positive impact on the environment and society as a whole. Our Manager has a standing ESG Committee to address a variety of issues, including its impact on the environment, increasing the diversity of its workforce, employee engagement, and community involvement.

Environmental

- Our offices are conveniently located near mass transportation.
- We provide financial support and incentives to our employees who use public transit.
- To reduce energy usage, we use Energy Star® certified desktops, monitors and printers; and utilize motion sensor lighting and cooling to reduce energy usage in non-peak hours.
- To reduce waste and promote a cleaner environment, we use green cleaning supplies and kitchen products; recycle electronics, ink cartridges, and packaging; provide recycling containers to employees; and use water coolers to reduce waste.
- We have reduced the number of single use cups and plastic water bottles in our offices.

Social

- We invest in home mortgage loans, which support homeownership and stability within communities.
- Ellington and senior members of management sponsor numerous charitable causes, including several devoted to diversity and children in need. We also support employee charitable contributions through matching gift programs, hosting food drives, and other community events.
- Our employees have access to robust health and wellness programs. Ellington also supports various events that support health and wellness.
- We provide opportunities for personal growth with training, including facilitating a lunch & learn series, and reimbursing professional continuing education. We also support professional development through mentorship programs and affinity groups, such as a women's networking group.
- We are committed to enhancing gender, racial, and ethnic diversity throughout our organization, as stated in our Manager's Diversity and Inclusion Policy. We have engaged a women-owned recruiting firm focused exclusively on women and minority recruiting on college campuses.
- We are in compliance with applicable employment codes and guidelines, including ADA, Equal Opportunity Employment, Non-Discrimination, Anti-Harassment and Non-Retaliation codes.

Governance

- Our Manager has a Responsible Investment policy incorporating ESG factors into its investment processes for applicable strategies.
- We operate under a Code of Business Conduct and Ethics.
- EFC has a separate independent Chairman, and the majority of Board members are independent.
- We hold annual elections of Directors.
- We are committed to significant disclosure and transparency, including an established monthly book value disclosure and dividend policy.
- We have an established Whistleblower policy to encourage transparency and accountability.
- Robust process for stockholder engagement.
- Strong alignment through 6% co-investment[1]

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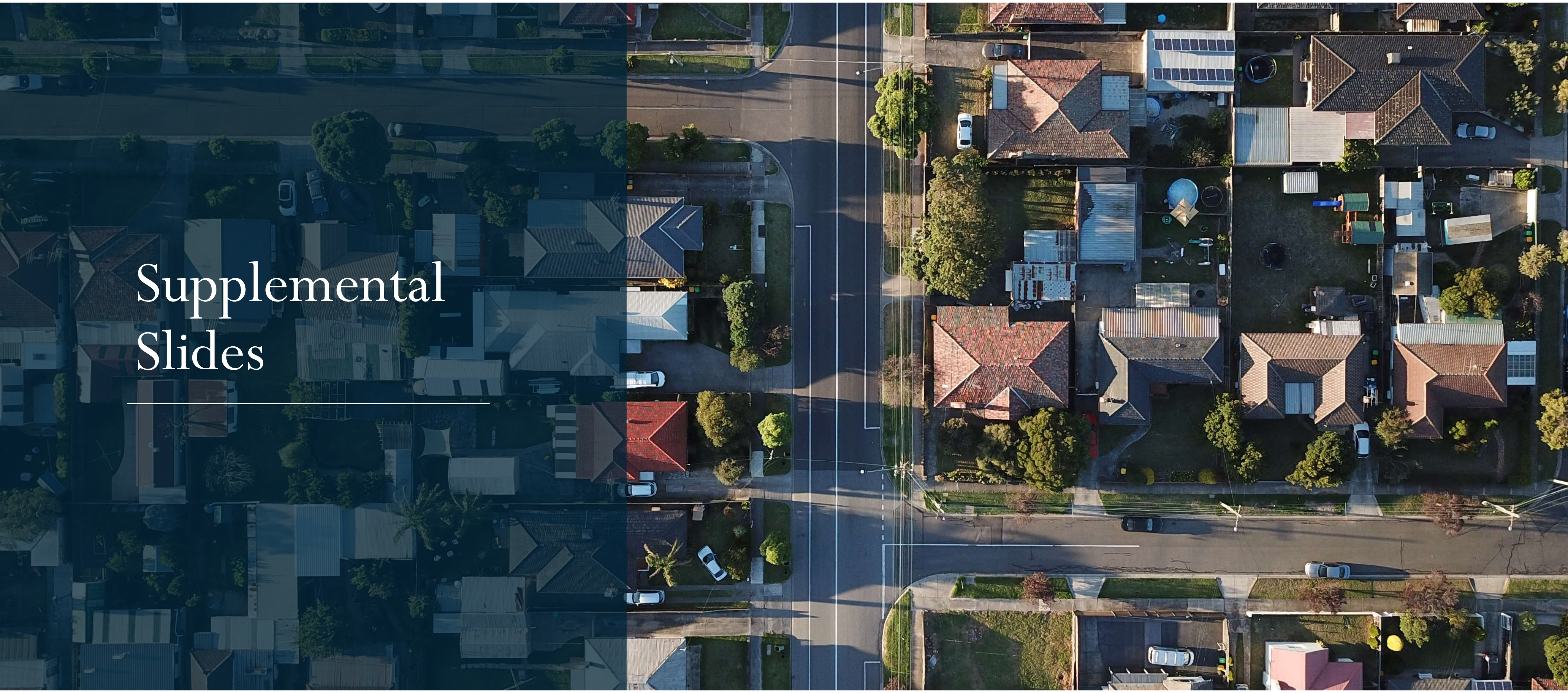
Supplemental Slides



First Quarter Market Update

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Quarter Ended	3/31/2022	Q1/Q4	12/31/2021	Q4/Q3	9/30/2021	Q3/Q2	6/30/2021	Q2/Q1	3/31/2021
UST (%)[1]									
3M UST	0.48	+0.45	0.03	-0.00	0.03	-0.01	0.04	+0.03	0.02
2Y UST	2.33	+1.60	0.73	+0.46	0.28	+0.03	0.25	+0.09	0.16
5Y UST	2.46	+1.20	1.26	+0.30	0.96	+0.08	0.89	-0.05	0.94
10Y UST	2.34	+0.83	1.51	+0.02	1.49	+0.02	1.47	-0.27	1.74
30Y UST	2.45	+0.54	1.90	-0.14	2.04	-0.04	2.09	-0.32	2.41
3M10Y Spread	1.86	+0.38	1.48	+0.03	1.45	+0.03	1.43	-0.30	1.73
2Y10Y Spread	0.00	-0.77	0.78	-0.43	1.21	-0.01	1.22	-0.36	1.58
US Dollar Swaps (%)[1]									
2Y SWAP	2.55	+1.61	0.94	+0.56	0.38	+0.05	0.33	+0.04	0.29
5Y SWAP	2.52	+1.15	1.37	+0.32	1.05	+0.09	0.97	-0.09	1.06
10Y SWAP	2.41	+0.83	1.58	+0.07	1.51	+0.06	1.44	-0.34	1.78
LIBOR (%)[1]									
1M	0.45	+0.35	0.10	+0.02	0.08	-0.02	0.10	-0.01	0.11
3M	0.96	+0.75	0.21	+0.08	0.13	-0.02	0.15	-0.05	0.19
1M3M Spread	0.51	+0.40	0.11	+0.06	0.05	+0.00	0.05	-0.04	0.08
Mortgage Rates (%)[2]									
15Y	4.11	+1.51	2.60	+0.15	2.45	-0.11	2.56	-0.15	2.71
30Y	4.67	+1.56	3.11	+0.10	3.01	+0.03	2.98	-0.19	3.17
FNMA Pass-Thrus[1]									
30Y2.5	$95.40	-6.70	$102.09	-1.13	$103.22	-0.20	$103.41	+$0.91	$102.51
30Y3.5	$100.13	-5.20	$105.32	-0.51	$105.83	+$0.56	$105.27	-0.34	$105.61
30Y4.5	$103.67	-3.55	$107.22	-0.95	$108.16	+$0.54	$107.63	-1.24	$108.87
Libor-based OAS (bps)[3][4]									
FNMA30Y2.5 OAS	16.1	+20.2	-4.1	-0.2	-3.9	-7.4	3.5	+6.1	-2.6
FNMA30Y3.5 OAS	24.7	+43.7	-19.0	-5.5	-13.5	-31.0	17.5	+12.0	5.5
FNMA30Y4.5 OAS	31.2	+46.5	-15.3	+7.0	-22.3	-27.3	5.0	+29.9	-24.9
Libor-based ZSpread (bps)[3][5]									
FNMA30Y2.5 ZSpread	69.9	+8.6	61.3	+7.9	53.4	-5.6	59.0	+19.8	39.2
FNMA30Y3.5 ZSpread	101.0	+77.3	23.7	-5.7	29.4	-33.4	62.8	+5.2	57.6
FNMA30Y4.5 ZSpread	87.5	+79.4	8.1	+6.8	1.3	-24.8	26.1	+20.2	5.9

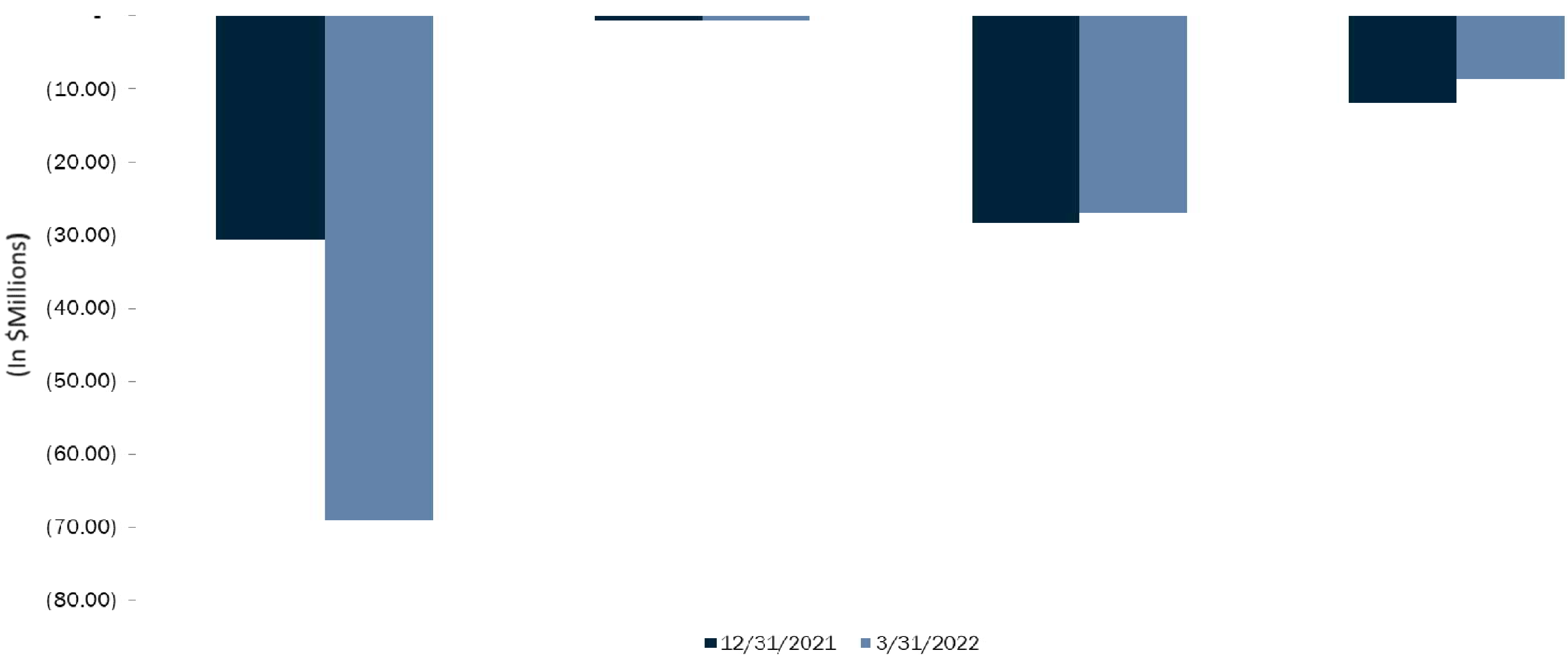
Derivatives Summary as of March 31, 2022[(1)]

Ellington Financial

($ in thousands)	Long Notional	Short Notional	Net Notional	Fair Value
Mortgage-Related Derivatives:				
CDS on MBS and MBS Indices	$ 556	$ (11,384)	$ (10,828)	$ 1,459
Total Net Mortgage-Related Derivatives				**$ 1,459**
Corporate-Related Derivatives:				
CDS on Corporate Bonds and Corporate Bond Indices	2,108	(58,539)	(56,431)	(3,251)
Options	30,000	-	30,000	248
Warrants[(2)]	1,897	-	1,897	1,058
Total Net Corporate-Related Derivatives				**$ (1,945)**
Interest Rate-Related Derivatives:				
TBAs	-	(611,011)	(611,011)	4,145
Interest Rate Swaps	649,825	(1,821,991)	(1,172,166)	39,304
U.S. Treasury Futures[(3)]	1,900	(276,300)	(274,400)	5,663
Total Interest Rate-Related Derivatives				**$ 49,112**
Other Derivatives:				
Foreign Currency Forwards[(4)]	-	(12,843)	(12,843)	(72)
Total Net Other Derivatives				**$ (72)**
Net Total				**$ 48,554**

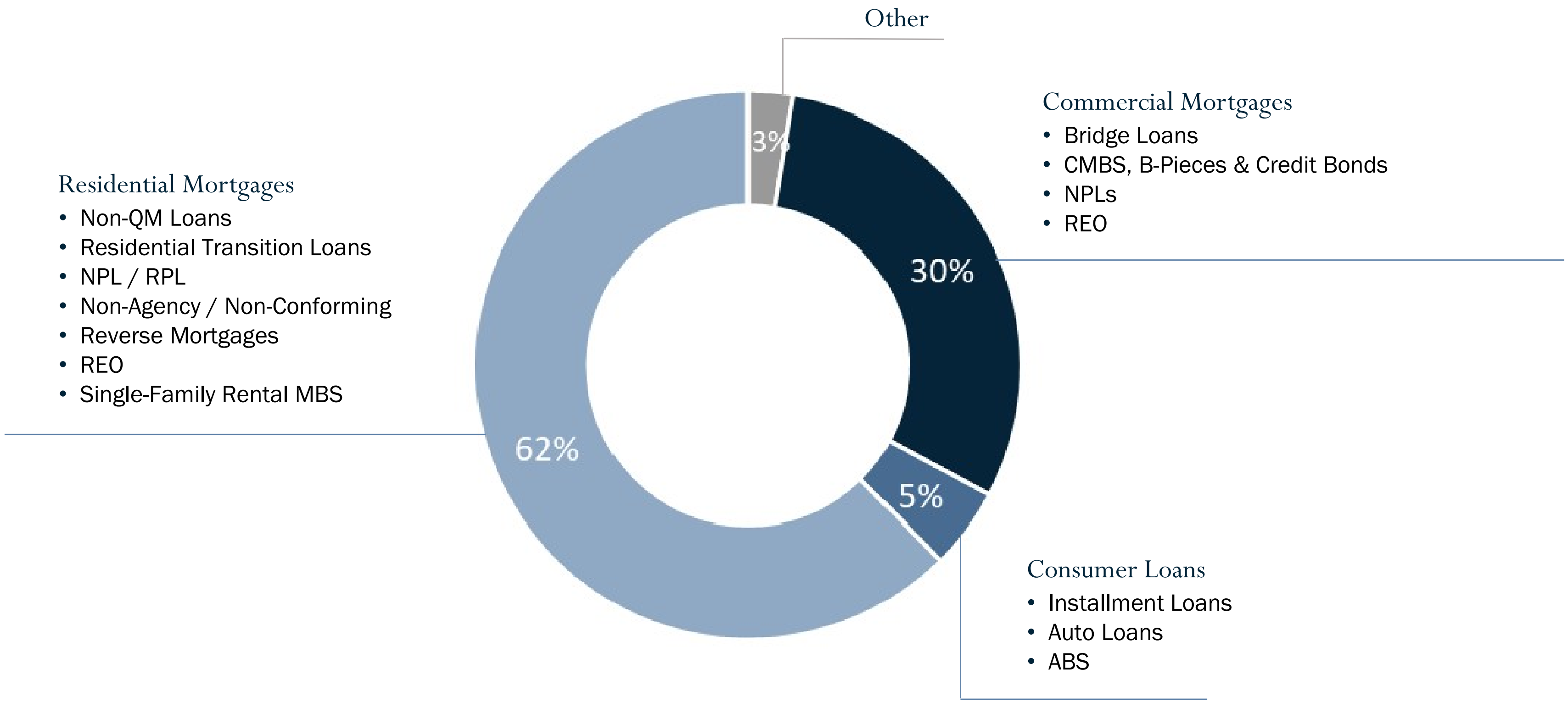
Credit Hedging Portfolio(1)(2)

Instrument Category	Corporate CDS Indices/ Tranches/ Options/ Single Names	Single Name ABS CDS and ABX Indices	European Sovereign Debt	CMBX
Units	HY CDX OTR Bond Equivalent Value(3)(4)	Bond Equivalent Value(4)	Market Value	Bond Equivalent Value(4)



- EFC's dynamic credit hedging strategy seeks to reduce book value volatility

Diversified sources of return to perform over market cycles



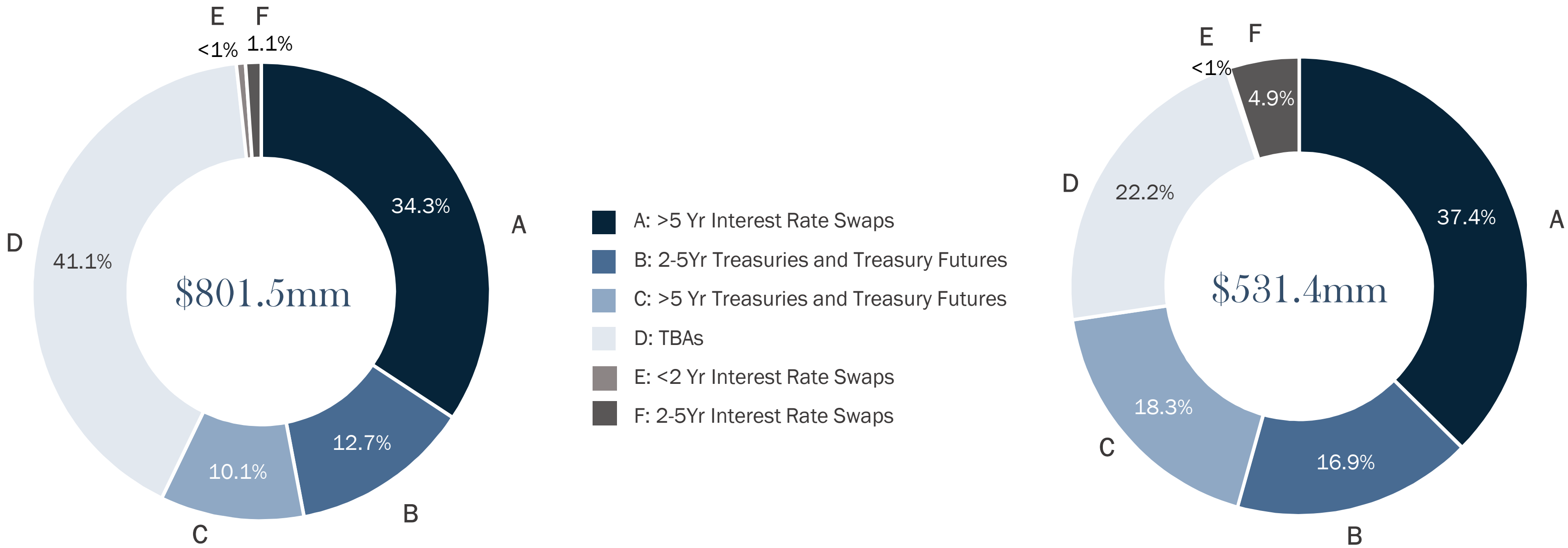
- Our flexible approach allocates capital to the sectors where we see the best relative value as market conditions change[1]
- We believe that our analytical expertise, research and systems provide an edge that will generate attractive risk-adjusted returns over market cycles

Note: Percentages shown reflect share of total fair market value of credit portfolio[2][3]

Agency Interest Rate Hedging Portfolio(1)

Ellington Financial

We deploy a dynamic and adaptive hedging strategy to preserve book value



As of 3/31/2022

Short $801.5mm 10-yr equivalents(1)

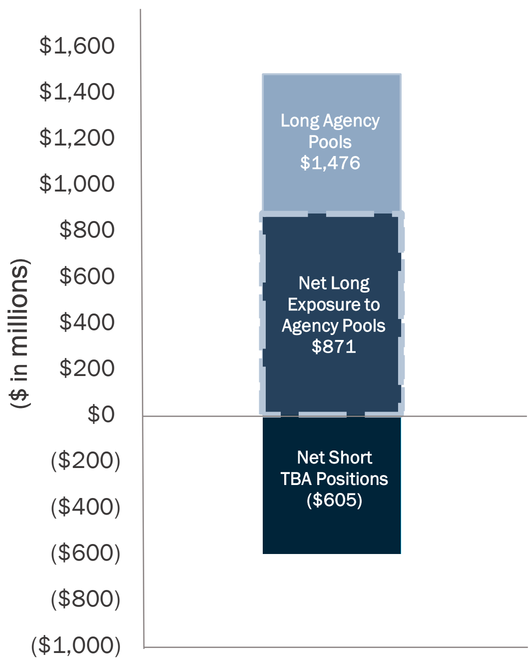
As of 12/31/2021

Short $531.4mm 10-yr equivalents(1)

- We hedge along the entire yield curve to protect against volatility, defend book value and more thoroughly control interest rate risk
- Shorting "generic" pools (or TBAs) allows EFC to significantly reduce interest rate risk and basis risk in its Agency portfolio
  - The size of our net short TBA position increased significantly during the quarter on a 10-year equivalent basis
  - For those Agency pools hedged with comparable TBAs, the biggest risk is a drop in "pay-ups"
  - Average pay-ups on our specified pools decreased to 0.59% as of 3/31/2022, as compared to 0.82% as of 12/31/2021
- We also hedge interest rate risk with swaps, U.S. Treasury securities, and other instruments

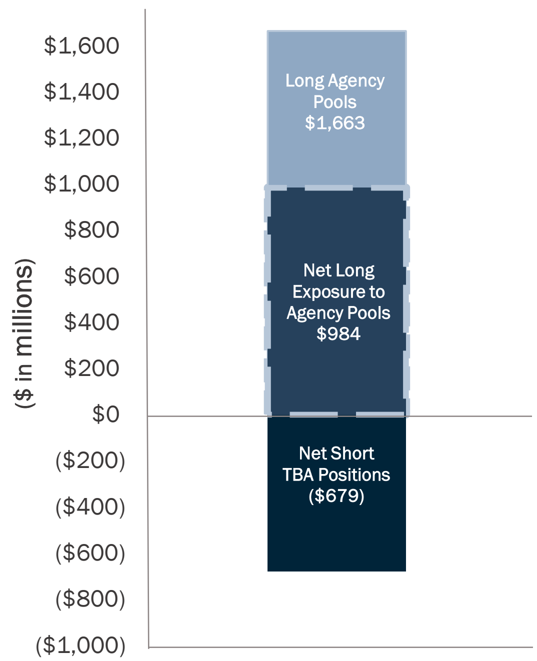
Net Agency Pool Exposure Based on Fair Value[1]

As of 3/31/2022



Net Agency pool assets-to-equity: 4.5:1

As of 12/31/2021



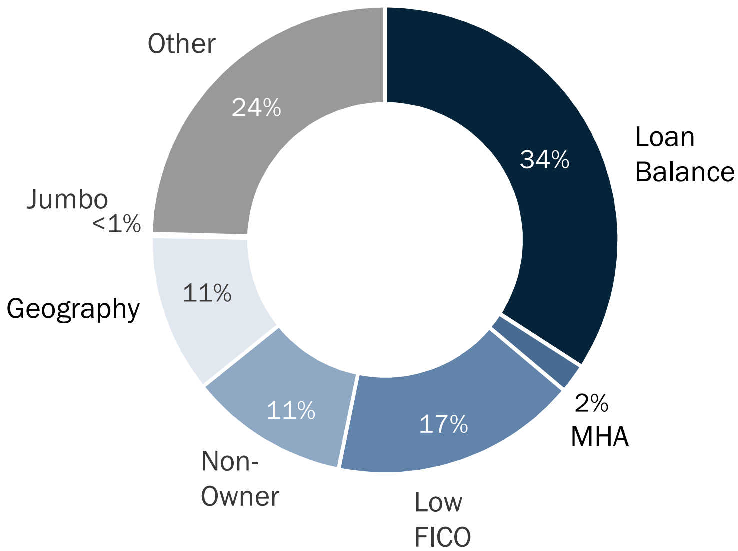
Net Agency pool assets-to-equity: 4.2:1

- EFC often carries significantly lower net effective mortgage exposure than our "headline" Agency leverage suggests
- Our net Agency pool asset-to-equity ratio increased to 4.5:1 from 4.2:1, quarter over quarter, even as our net long exposure to Agency pools declined, because of less equity in the Agency strategy

- Use of TBA short positions as hedges helps drive outperformance in volatile quarters
- When interest rates spike, TBA short positions not only extend with specified pool assets, but they tend to extend more than specified pool assets, which dynamically and automatically hedges a correspondingly larger portion of our specified pool portfolio

CPR Breakout of Agency Fixed Long Portfolio

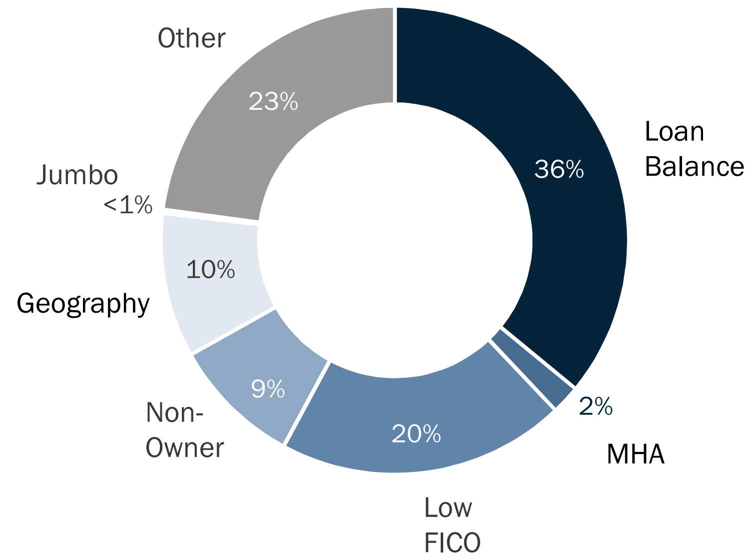
Average for Quarter Ended 3/31/2022[1]



Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$537.0	13.1
MHA[4]	27.4	20.1
Low FICO	261.4	19.0
Non-Owner	163.2	7.3
Geography	163.2	13.2
Jumbo	2.5	69.9
Other	374.6	8.4
Total	**$1,529.3**	**12.7**

Average for Quarter Ended 12/31/2021 [1]



Collateral Characteristics and Historical 3-Mo CPR

Characteristic[2]	Fair Value[1][3]	3-Month CPR %[5]
Loan Balance	$545.0	19.0
MHA[4]	29.7	20.5
Low FICO	303.9	26.4
Non-Owner	135.3	19.4
Geography	155.0	12.1
Jumbo	3.8	27.0
Other	349.1	12.7
Total	**$1,521.8**	**18.5**

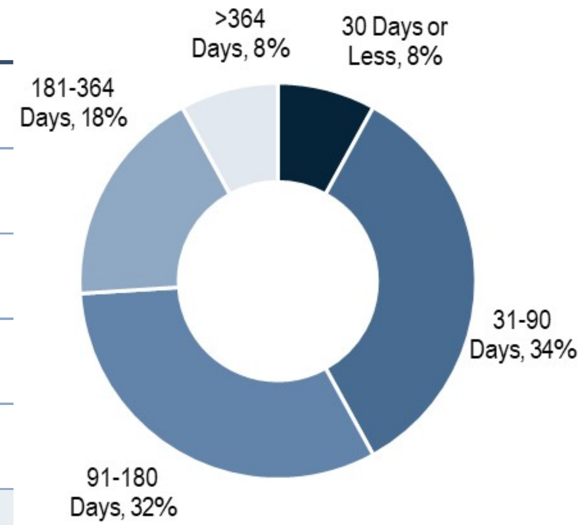
Repo Borrowings[(1)]

Ellington Financial

($ in thousands)

	Repo Borrowings as of March 31, 2022				
Remaining Days to Maturity	Credit	Agency	U.S. Treasury	Total	% of Total Borrowings
30 Days or Less	$ 9,228	$ 202,858	$ -	$ 212,086	7.8%
31-90 Days	334,377	592,385	-	926,762	34.1%
91-180 Days	409,703	447,754	-	857,457	31.6%
181-364 Days	239,331	255,109	-	494,440	18.2%
>364 Days	226,893	-	-	226,893	8.3%
Total Borrowings	**$1,219,532**	**$1,498,106**	**$ -**	**$ 2,717,638**	**100.0%**
Weighted Average Remaining Days to Maturity	206	107	-	151	

Borrowings by Days to Maturity



- Repo borrowings with 23 counterparties, with the largest representing approximately 31% of total repo borrowings
- Weighted average remaining days to maturity of 151 days, an increase of 17 days from December 31, 2021
- Maturities are staggered to mitigate liquidity risk

Resilient Profit Generation Over Market Cycles[1]

Ellington Financial

COVID Pandemic

($ in thousands)	Three-Month Period Ended March 31		Years Ended											
	2022		2021[2]		2020[2]		2019		2018		2017		2016	
Long: Credit	$1,188	0.1%	$188,562	18.1%	$53,736	6.2%	$73,919	11.1%	$61,201	10.0%	$61,136	9.6%	$36,203	5.3%
Credit Hedge and Other	1,421	0.1%	(1,887)	-0.2%	8,027	0.9%	(11,237)	-1.7%	8,020	1.3%	(11,997)	-1.9%	(40,548)	-5.9%
Interest Rate Hedge: Credit	13,930	1.3%	4,738	0.5%	(7,938)	-0.9%	(1,345)	-0.2%	115	0.0%	(851)	-0.1%	(371)	-0.1%
Long: Agency	(81,269)	-7.7%	(17,885)	-1.7%	45,957	5.3%	48,175	7.2%	(5,979)	-1.0%	10,246	1.6%	17,166	2.5%
Interest Rate Hedge and Other: Agency	61,172	5.8%	17,031	1.6%	(33,672)	-3.9%	(25,309)	-3.8%	3,144	0.5%	(5,218)	-0.8%	(8,226)	-1.2%
Gross Profit (Loss)	(3,558)	**-0.3%**	**$190,559**	**18.3%**	**$66,110**	**7.6%**	**$84,203**	**12.7%**	**$66,501**	**10.9%**	**$53,316**	**8.4%**	**$4,224**	**0.6%**

($ in thousands)	Years Ended															
	2015		2014		2013		2012		2011		2010		2009		2008	
Long: Credit	$46,892	6.1%	$77,636	11.4%	$109,536	18.5%	$129,830	30.0%	$1,505	0.4%	$70,840	21.9%	$101,748	36.3%	(64,565)	-26.2%
Credit Hedge and Other	10,671	1.4%	(1,197)	-0.2%	(19,286)	-3.3%	(14,642)	-3.4%	19,895	5.2%	(7,958)	-2.5%	10,133	3.6%	78,373	31.8%
Interest Rate Hedge: Credit	(4,899)	-0.6%	(9,479)	-1.4%	8,674	1.5%	(3,851)	-0.9%	(8,171)	-2.1%	(12,150)	-3.8%	(1,407)	-0.5%	(3,446)	-1.4%
Long: Agency	23,629	3.1%	61,126	9.0%	(14,044)	-2.4%	37,701	8.7%	63,558	16.5%	21,552	6.7%	22,171	7.9%	4,763	1.9%
Interest Rate Hedge and Other: Agency	(17,166)	-2.2%	(47,634)	-7.0%	19,110	3.2%	(20,040)	-4.6%	(54,173)	-14.0%	(14,524)	-4.5%	(8,351)	-3.0%	(6,414)	-2.6%
Gross Profit (Loss)	**$59,127**	**7.7%**	**$80,452**	**11.8%**	**$103,990**	**17.6%**	**$128,998**	**29.8%**	**$22,614**	**5.9%**	**$57,760**	**17.8%**	**$124,294**	**44.4%**	**$8,711**	**3.5%**

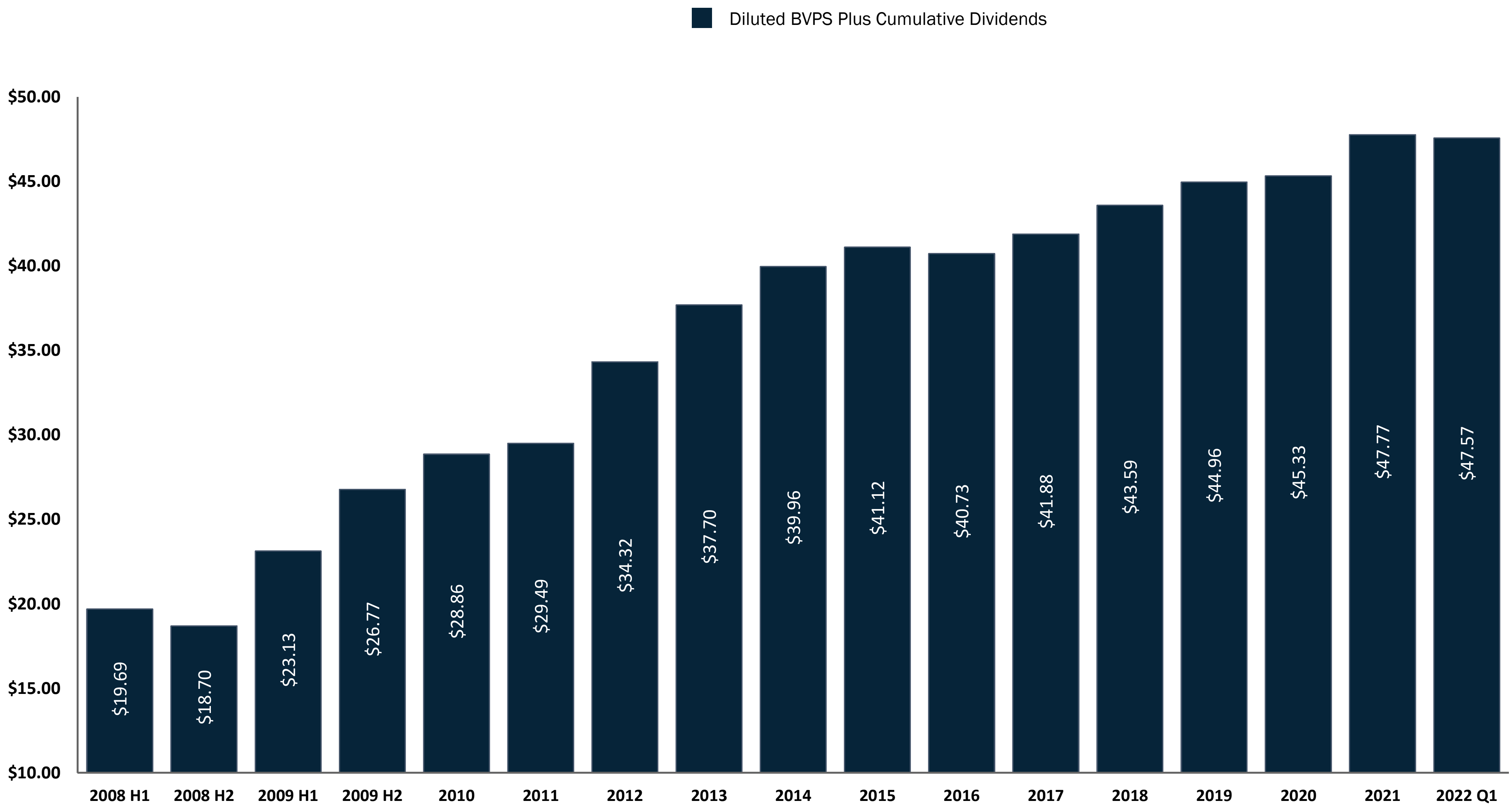
Taper Tantrum

Credit Crisis

Note: Percentages of average total equity during the period.

EFC has successfully preserved book value over market cycles, while producing strong results for investors

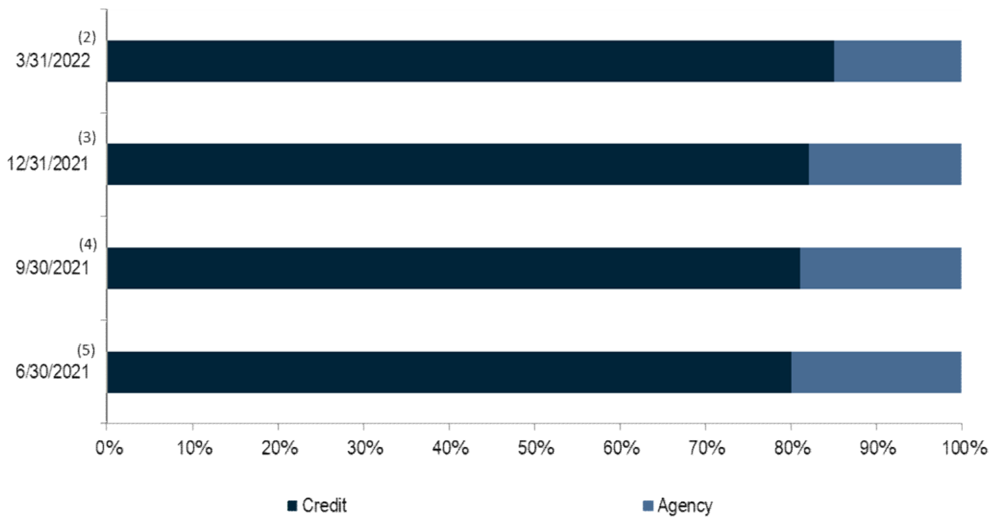
- EFC life-to-date diluted net asset value-based total return from inception in August 2007 through Q1 2022 is approximately 273%, or 9.4% annualized(1)



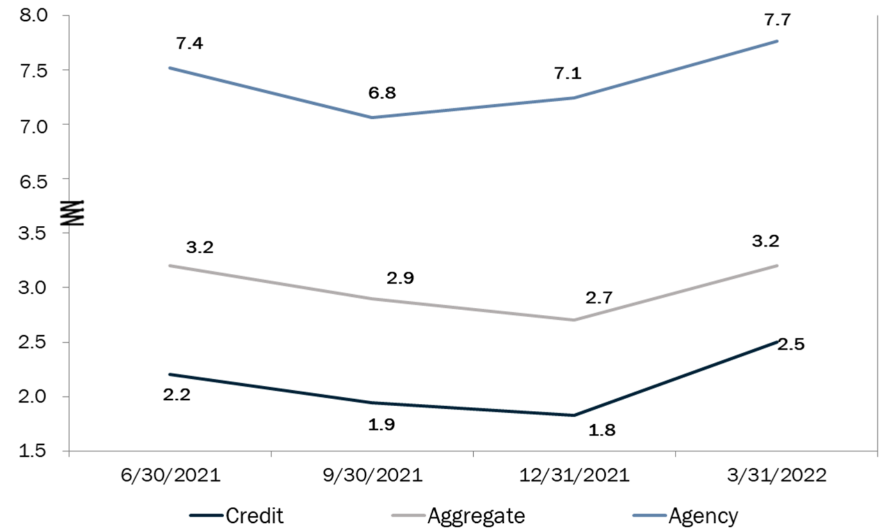
Capital, Leverage & Portfolio Composition

Ellington Financial

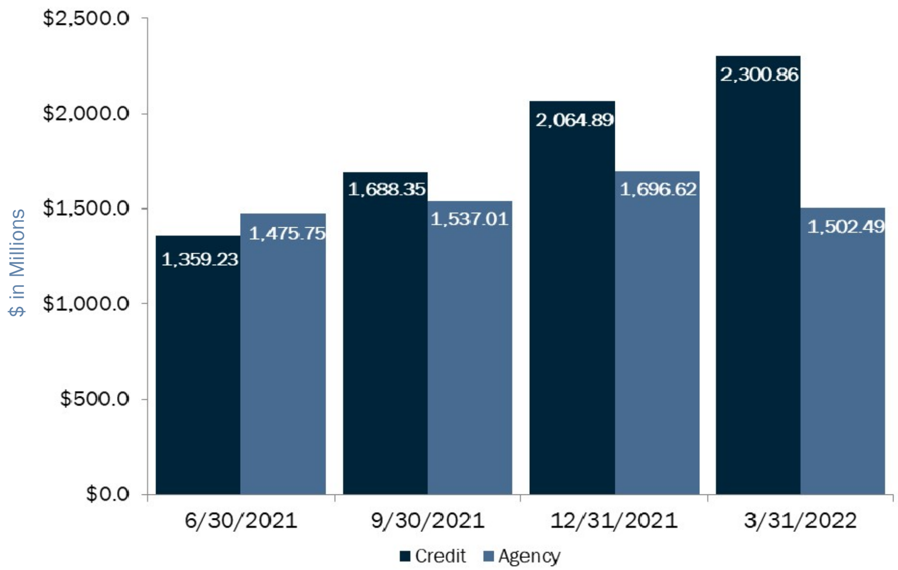
Capital Usage Across Entire Portfolio[1]



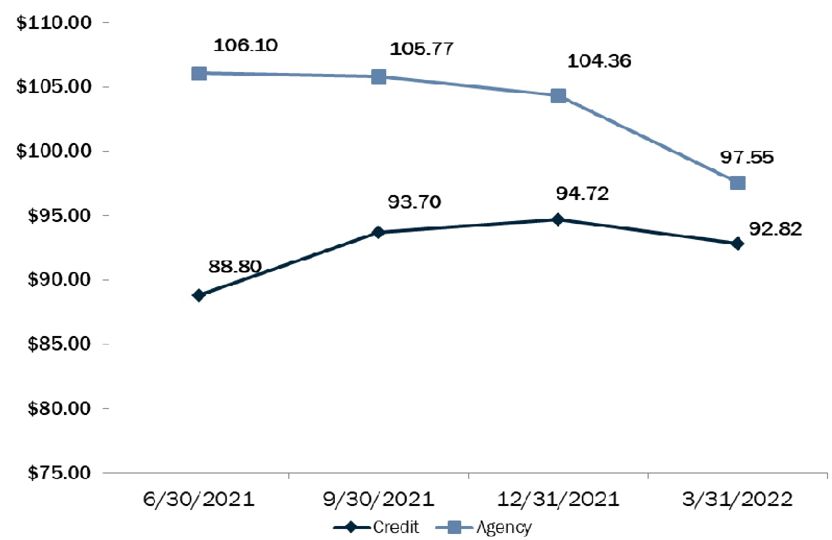
Leverage by Strategy (Debt-to-Equity)[1]



Credit and Agency Portfolios by Fair Value[7]



Average Price – Credit and Agency[6][7]



Condensed Consolidated Balance Sheet (Unaudited)

Ellington Financial

(in thousands, except share and per share amounts)		March 31, 2022		December 31, 2021[1]
Assets				
Cash and cash equivalents	$	363,529	$	92,661
Restricted cash		175		175
Securities, at fair value		1,877,529		2,087,360
Loans, at fair value		2,884,627		2,415,321
Investments in unconsolidated entities, at fair value		219,303		195,643
Real estate owned		24,533		24,681
Financial derivatives – assets, at fair value		65,082		18,894
Reverse repurchase agreements		131,243		123,250
Due from brokers		122,825		93,549
Investment related receivables		134,460		122,175
Other assets		3,959		3,710
Total Assets	**$**	**5,827,265**	**$**	**5,177,419**
Liabilities				
Securities sold short, at fair value		79,679		120,525
Repurchase agreements		2,717,638		2,469,763
Financial derivatives – liabilities, at fair value		16,528		12,298
Due to brokers		36,043		2,233
Investment related payables		59,375		39,048
Other secured borrowings		47,941		96,622
Other secured borrowings, at fair value		1,216,542		984,168
Senior notes, net		85,890		85,802
Senior notes, at fair value		210,000		-
Base management fee payable to affiliate		4,266		3,115
Incentive fee payable to affiliate		-		3,246
Dividend payable		11,615		10,375
Interest payable		3,749		4,570
Accrued expenses and other liabilities		15,061		22,098
Total Liabilities	**$**	**4,504,327**	**$**	**3,853,863**
Equity				
Preferred stock, par value $0.001 per share, 100,000,000 shares authorized; 9,420,421 and 9,400,000 shares issues and outstanding, and $235,511 and $235,000 aggregate liquidation preference, respectively[2]	$	227,432	$	226,939
Common stock, par value $0.001 per share, 100,000,000 shares authorized; 59,662,263 and 57,458,169 shares issued and outstanding, respectively[3]		60		58
Additional paid-in-capital		1,199,958		1,161,603
Retained earnings (accumulated deficit)		(133,370)		(97,279)
Total Stockholders' Equity	**$**	**1,294,080**	**$**	**1,291,321**
Non-controlling interests		28,858		32,235
Total Equity	**$**	**1,322,938**	**$**	**1,323,556**
Total Liabilities and Equity	$	5,827,265	$	5,177,419
Supplemental Per Share Information:				
Book Value Per Common Share[4]	$	17.74	$	18.39

Condensed Consolidated Statement of Operations (Unaudited)

Ellington Financial

	Three-Month Period Ended	
(In thousands, except per share amounts)	March 31, 2022	December 31, 2021[1]
Net Interest Income		
Interest income	$ 51,074	$ 49,390
Interest expense	(14,017)	(10,918)
Total net interest income	**$ 37,057**	**$ 38,472**
Other Income (Loss)		
Realized gains (losses) on securities and loans, net	806	(3,609)
Realized gains (losses) on financial derivatives, net	23,335	7,064
Realized gains (losses) on real estate owned, net	(27)	1,774
Unrealized gains (losses) on securities and loans, net	(151,153)	(35,809)
Unrealized gains (losses) on financial derivatives, net	45,307	4,171
Unrealized gains (losses) on real estate owned, net	(571)	176
Unrealized gains (losses) on other secured borrowings, at fair value, net	55,641	10,899
Other, net	1,220	2,830
Total other income (loss)	(25,442)	(12,504)
Expenses		
Base management fee to affiliate (Net of fee rebates of $657 and $1,809, respectively)	4,266	3,115
Incentive fee to affiliate	-	3,246
Investment related expenses:		
Servicing expense	1,524	1,280
Debt insurance costs related to Other secured borrowings, at fair value	2,232	1,586
Debt insurance costs related to Senior notes, at fair value	3,615	-
Other	2,312	3,113
Professional fees	1,177	1,979
Compensation expense	2,560	1,357
Other expenses	1,881	1,764
Total expenses	19,567	17,440
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings from Investments in Unconsolidated Entities	(7,952)	8,528
Income tax expense (benefit)	(6,960)	(4)
Earnings (losses) from investments in unconsolidated entities	(5,506)	30,318
Net Income (Loss)	**$ (6,498)**	**$ 38,850**
Net Income (Loss) Attributable to Non-Controlling Interests	(420)	2,284
Dividends on Preferred Stock	3,824	2,295
Net Income (Loss) Attributable to Common Stockholders	**$ (9,902)**	**$ 34,271**
Net Income (Loss) per Common Share		
Basic and Diluted	**$ (0.17)**	**$ 0.61**
Weighted average shares of common stock outstanding	57,614	56,569
Weighted average shares of common stock and convertible units outstanding	58,347	57,263

Reconciliation of Net Income (Loss) to Core Earnings[1]

Ellington Financial

	Three-Month Period Ended	
(in thousands, except per share amounts)	March 31, 2022	December 31, 2021[2]
Net Income (Loss)	**$ (6,498)**	**$ 38,850**
Income tax expense (benefit)	(6,960)	(4)
Net income (loss) before income tax expense	**$ (13,458)**	**$ 38,846**
Adjustments:		
Realized (gains) losses on securities and loans, net	(806)	3,609
Realized (gains) losses on financial derivatives, net	(23,335)	(7,064)
Realized (gains) losses on real estate owned, net	27	(1,774)
Unrealized (gains) losses on securities and loans, net	151,153	35,809
Unrealized (gains) losses on financial derivatives, net	(45,307)	(4,171)
Unrealized (gains) losses on real estate owned, net	571	(176)
Unrealized (gains) losses on other secured borrowings, at fair value, net	(55,641)	(10,899)
Other realized and unrealized (gains) losses, net[3]	83	172
Net realized gains (losses) on periodic settlements of interest rate swaps	(1,702)	(470)
Net unrealized gains (losses) on accrued periodic settlements of interest rate swaps	561	(716)
Incentive fee to affiliate	-	3,246
Non-cash equity compensation expense	288	254
Negative (positive) component of interest income represented by Catch-up Premium Amortization Adjustment	634	(1,250)
Non-capitalized transaction costs and other expense adjustments	6,337	2,762
(Earnings) losses from investments in unconsolidated entities[4]	7,800	(28,563)
Total Core Earnings	**$ 27,205**	**$ 29,615**
Dividends on preferred stock	3,824	2,295
Core Earnings attributable to non-controlling interests	175	2,421
Core Earnings Attributable to Common Stockholders	**$ 23,206**	**$ 24,899**
Core Earnings Attributable to Common Stockholders, per share	**$ 0.40**	**$ 0.44**

About Ellington Management Group

Ellington Profile

As of 3/31/2022

Founded:	1994
Employees:	>170
Investment Professionals:	70
Global offices:	3

$13.4

Billion in assets under management as of 3/31/2022[1]

12

Employee-partners own the firm[2]

27

Years of average industry experience of senior portfolio managers

6%

Management's ownership of EFC, representing strong alignment[3]

Ellington and its Affiliated Management Companies

- Our external manager Ellington Financial Management LLC is part of the Ellington family of SEC-registered investment advisors[4]
- Ellington Management Group and its affiliates manage Ellington Financial Inc. (EFC), Ellington Residential Mortgage REIT (EARN), multi-investor hedge funds, separately managed accounts, and opportunistic private funds
- Time-tested infrastructure and proprietary resources in trading, research, risk management, and operational support

Industry-Leading Research & Trading Expertise

- Sophisticated proprietary models for prepayment and credit analysis
- Approximately 25% of employees dedicated to research and technology
- Structured credit trading experience and analytical skills developed since the firm's founding 27 years ago
- Ellington's portfolio managers are among the most experienced in the MBS sector

Investment Highlights of EFC

Diversified investment portfolio across residential mortgage, commercial mortgage, consumer loan, and corporate loan sectors

Proprietary portfolio of high-yielding, short-duration loans

Dynamic interest-rate and credit hedging designed to reduce volatility of book value and earnings

Strategic debt and equity investments in multiple loan originators

Diversified sources of financing, including long term non mark-to-market financing facilities and securitizations

Strong alignment with 6% co-investment[(1)]

Endnotes

Ellington Financial

Slide 3 – First Quarter Highlights

(1) Holdings, leverage, equity and book value amounts are as of March 31, 2022.
(2) Economic return is based on book value per share.
(3) Core Earnings is a non-GAAP financial measure. See slide 28 for a reconciliation of Core Earnings to Net Income (Loss).
(4) Gross income (loss) includes interest income and other income, net realized and change in net unrealized gains (losses), net interest rate hedges, net credit hedges and other activities, interest expense, other investment related expenses, and earnings (losses) from investments in unconsolidated entities, if applicable. It excludes other interest income (expense), management fees, income tax (expense) and other expenses.
(5) Includes REO at the lower of cost or fair value. Excludes hedges and other derivative positions.
(6) For our consolidated non-QM securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes. Including such tranches, the Company's total long credit portfolio was $3.504 billion as of March 31, 2022.
(7) Overall debt-to-equity ratio is computed by dividing EFC's total debt by EFC's total equity. The debt-to-equity ratio does not account for liabilities other than debt financings. Excludes repo borrowings on U.S. Treasury securities.
(8) Excludes repo borrowings on U.S. Treasury securities and borrowings at certain unconsolidated entities that are recourse to us. Including such borrowings, our debt-to-equity ratio based on total recourse borrowings is 2.5:1 as of March 31, 2022.
(9) Rated by Egan-Jones Rating Company. A rating is not a recommendation to buy, sell or hold securities. Ratings may be subject to revision or withdrawal at any time by the assigning rating organization. Each rating should be evaluated independently of any other rating.
(10) Management and directors' ownership includes common shares, operating partnership units, and LTIP units held by officers and directors of EFC, and partners and affiliates of Ellington (including families and family trusts of the foregoing). Based on share price.

Slide 4 – Portfolio Summary as of March 31, 2022

(1) See endnote (5) on slide 3.
(2) Of deployed capital, 85% allocated to credit and 15% to agency.
(3) Average price excludes interest only, principal only, equity tranches and other similar securities and non-exchange traded corporate equity. All averages in this table are weighted averages using fair value, except for average price which uses current principal balance.
(4) Average price of consumer loans and ABS is proprietary.
(5) Weighted average life assumes "projected" cashflows using Ellington's proprietary models. Excludes interest only, principal only, equity tranches.
(6) Estimated yields at market prices are management's estimates derived from Ellington's proprietary models based on prices and market environment as of March 31, 2022 and include the effects of future estimated losses. The above analysis should not be considered a recommendation to purchase or sell any security or class of securities. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table is for illustrative purposes only and the actual performance of our portfolio may differ from the data presented, and such differences might be significant and adverse.
(7) REO and equity investments in loan origination entities are excluded from total average calculations.
(8) For our consolidated non-QM securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes.
(9) REO is not considered a financial instrument and as a result is included at the lower of cost or fair value.
(10) Includes equity investments in unconsolidated entities holding small balance commercial mortgage loans and REO. Including our allocable portion of the fair value of small-balance commercial loans and REO of the equity investments in unconsolidated entities, our total CMBS and Commercial Mortgage Loans and REO was $738.1 million.
(11) Includes equity investments in securitization-related vehicles.
(12) Includes an equity investment in an unconsolidated entity holding European RMBS.
(13) Excludes repo borrowings on U.S. Treasury securities and borrowings at certain unconsolidated entities that are recourse to us. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy's positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy's positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. The Company refers to the excess of its total equity over the total risk capital of its strategies as its "risk capital buffer". If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.
(14) See endnote (7) on slide 3.
(15) See endnote (8) on slide 3.

Slide 5 – Operating Results by Strategy

(1) Conformed to current period presentation.
(2) Other income primarily consists of rental income on real estate owned and loan origination fees.
(3) For the three-month period ended March 31, 2022, consists of $(47.3) million of net unrealized losses on securitized non-QM loans, $55.6 million of net unrealized gains on the related other secured borrowings, at fair value, and $(32.1) million of other net unrealized losses. For the three-month period ended December 31, 2021, consists of $(12.2) million of net unrealized losses on securitized non-QM loans, $10.9 million of net unrealized gains on the related other secured borrowings, at fair value, and $(6.4) million of other net unrealized losses.
(4) Includes U.S. Treasury securities, if applicable.
(5) Other activities include certain equity and other trading strategies and related hedges, and net realized and unrealized gains (losses) on foreign currency and Other secured borrowings, at fair value.
(6) Includes allocable portion of interest expense on the Company's Senior Notes.
(7) Convertible units include Operating Partnership units attributable to non-controlling interests.

Endnotes

Ellington Financial

Slide 6 – Long Credit Portfolio

(1) See endnote (5) on slide 3. For our consolidated non-QM securitization trusts, excludes tranches that were sold to third parties, but that are consolidated for GAAP purposes. Including such tranches, the Company's total long credit portfolio was $3.504 billion as of March 31, 2022 and $3.026 billion as of December 31, 2021 .
(2) Includes equity investments in securitization-related vehicles.
(3) REO is not considered a financial instrument and as a result is included at the lower of cost or fair value.
(4) Includes equity investments in unconsolidated entities holding small balance commercial mortgage loans and REO. Including our allocable portion of the fair value of small-balance commercial loans and REO of the equity investments in unconsolidated entities, our total CMBS and Commercial Mortgage Loans and REO were $738.1 million as of March 31, 2022 and $507.0 million as of December 31, 2021.
(5) Includes an equity investment in an unconsolidated entity holding European RMBS.

Slide 7 – Long Agency Portfolio

(1) Agency long portfolio includes $1.476 billion of long Agency securities and $26.6 million of interest only securities as of March 31, 2022 and $1.663 billion of long Agency securities and $33.3 million of interest only securities as of December 31, 2021.
(2) Represents weighted average net pass-through rate. Excludes interest only securities.

Slide 8 – Summary of Borrowings

(1) Includes Other secured borrowings and Other secured borrowings, at fair value.
(2) All of our non-recourse borrowings are secured by collateral. In the event of default under a non-recourse borrowing, the lender has a claim against the collateral but not any of the Operating Partnership's other assets. In the event of default under a recourse borrowing, the lender's claim is not limited to the collateral (if any).
(3) See endnote (8) on slide 3.
(4) See endnote (7) on slide 3.

Slide 9- Small Balance Commercial Mortgage Loan Portfolio – Detail

(1) Percentages are of unpaid principal balance.
(2) Includes our allocable portion of certain small-balance commercial loans, based on our ownership percentage, held in entities in which we and certain affiliates of Ellington have equity interests. Our equity investments in such entities are included in Investments in unconsolidated entities, at fair value on the Condensed Consolidated Balance Sheet.

Slide 10- Proprietary Loan Origination Businesses

(1) For our consolidated non-QM securitization trusts, excludes loans in consolidated non-QM securitization trusts that were sold to third parties.
(2) Includes our allocable portion of the fair value of certain small-balance commercial loans, based on our ownership percentage, held in entities in which we and certain affiliates of Ellington have equity interests. Our equity investments in such entities are included in Investments in unconsolidated entities, at fair value on the Condensed Consolidated Balance Sheet.

Slide 11 – Stable Economic Return

(1) Source: Company filings.
(2) Economic return is computed by adding back dividends to ending book value per share, and comparing that amount to book value per share as of the beginning of the quarter.

Slide 12 – Interest Rate Sensitivity Analysis

(1) The table reflects the estimated effects on the value of our portfolio, both overall and by category, of hypothetical, immediate, 50 basis point downward and upward parallel shifts in interest rates, based on the market environment as of March 31, 2022. The preceding analysis does not include sensitivities to changes in interest rates for instruments which we believe that the effect of a change in interest rates is not material to the value of the overall portfolio and/or cannot be accurately estimated. In particular, this analysis excludes certain corporate securities and derivatives on corporate securities, and reflects only sensitivity to U.S. interest rates. Results are based on forward-looking models, which are inherently imperfect, and incorporate various simplifying assumptions. Therefore, the table is for illustrative purposes only and actual changes in interest rates would likely cause changes in the actual value of our portfolio that would differ from those presented, and such differences might be significant and adverse.

Slide 13 – Commitment to ESG

(1) See endnote (10) on slide 3.

Slide 15 – First Quarter Market Update

(1) Source: Bloomberg
(2) Source: Mortgage Bankers Association via Bloomberg
(3) Source: J.P. Morgan Markets
(4) LIBOR-based OAS measures the additional yield spread over LIBOR that an asset provides at its current market price after taking into account any interest rate options embedded in the asset.
(5) LIBOR-based Zero-volatility spread (Z-spread) measures the additional yield spread over LIBOR that the projected cash flows of an asset provide at the current market price of the asset.

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Endnotes

Slide 16– Derivatives Summary

(1) In the table, fair value of certain derivative transactions are shown on a net basis. The accompanying financial statements separate derivative transactions as either assets or liabilities. As of March 31, 2022, derivative assets and derivative liabilities were $65.1 million and $(16.5) million, respectively, for a net fair value of $48.6 million, as reflected in "Net Total".
(2) Notional value represents the maximum number of shares available to be purchased upon exercise.
(3) Notional value represents the total face amount of U.S. Treasury securities underlying all contracts held. As of March 31, 2022 a total of 19 long and 2,514 short U.S. Treasury futures contracts were held.
(4) Short notional value represents U.S. Dollars to be received by us at the maturity of the forward contract.

Slide 17 – Credit Hedging Portfolio

(1) The Credit Hedging Portfolio excludes both legs of certain relative value trades which we believe do not affect the overall hedging position of the portfolio. Consequently, the amounts shown here may differ materially (i) from those that would be shown were all positions in the included instruments displayed and (ii) from that presented on the Derivatives Summary shown on slide 16.
(2) There can be no assurance that instruments in the Credit Hedging Portfolio will be effective portfolio hedges.
(3) Corporate derivatives displayed in HY CDX OTR Equivalents represent the net, on-the-run notional equivalents of Markit CDX North American High Yield Index (the “HY Index”) of those derivatives converted to equivalents based on techniques used by the Company for estimating the price relationships between them and the HY Index. These include estimations of the relationships between different credits and even different sectors (such as the US high yield, European high yield, and US investment grade debt markets). The Company's estimations of price relationships between instruments may change over time. Actual price relationships experienced may differ from those previously estimated.
(4) Bond Equivalent Value represents the investment amount of a corresponding position in the reference obligation or index constituents, calculated assuming a price equal to the difference between (i) par and (ii) the tear up price. Corporate CDS Indices, Tranches, Options and Single Names are converted to HY CDX OTR Equivalents prior to being displayed as Bond Equivalent Values.

Slide 18 – Diversified Credit Portfolio

(1) Subject to maintaining our qualification as a REIT.
(2) Excludes hedges and other derivative positions.
(3) For our consolidated non-QM securitization trusts, only retained tranches are included (i.e., excludes tranches sold to third parties).

Slide 19 – Agency Interest Rate Hedging Portfolio

(1) Agency interest rate hedges are shown in normalized units of risk, with each group of positions measured in “10-year equivalents; “10-year equivalents” for a group of positions represent the amount of 10-year U.S. Treasury securities that would be expected to experience a similar change in market value under a standard parallel move in interest rates.

Slide 20 – Agency Interest Rate Hedging Portfolio (continued)

(1) We define our net Agency pool assets-to-equity ratio as the net aggregate market value of our Agency pools of $1.476 billion and our long and short TBA positions of $(605) million, divided by the equity allocated to our Agency strategy of $194 million, as of March 31, 2022. As of December 31, 2021, our net Agency pool assets-to-equity ratio was the net aggregate market value of our Agency pools of $1.663 billion and our long and short TBA positions of $(679) million, divided by the equity allocated to our Agency strategy of $232 million. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy’s positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy’s positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. The Company refers to the excess of its total equity over the total risk capital of its strategies as its “risk capital buffer”. If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.

Slide 21 – CPR Breakout of Agency Fixed Long Portfolio

(1) Does not include long TBA positions, reverse mortgage pools, or fixed rate IOs. Fair values reflect the average of fair values at the beginning of each month during the quarter
(2) Classification methodology may change over time as market practices change.
(3) Fair value shown in millions.
(4) “MHA” indicates those pools where underlying borrowers have participated in the Making Homes Affordable program.
(5) Excludes recent purchases of fixed rate Agency pools with no prepayment history.

Slide 22 – Repo Borrowings

(1) Included in the table, using the original maturity dates, are any repos involving underlying investments we sold prior to March 31, 2022 for settlement following March 31, 2022 even though we may expect to terminate such repos early. Not included are any repos that we may have entered into prior to March 31, 2022, for which delivery of the borrowed funds is not scheduled until after March 31, 2022. Remaining maturity for a repo is based on the contractual maturity date in effect as of March 31, 2022. Some repos have floating interest rates, which may reset before maturity.

Slide 23 – Resilient Profit Generation Over Market Cycles

(1) Gross profit excludes expenses other than interest expense and other investment related expenses. Figures in “%” columns are as a percentage of average total equity for the period which includes common and preferred equity as well as non-controlling interests.
(2) Conformed to current period presentation

Endnotes

Ellington Financial

Slide 24 – Total Return Since Inception

(1) Total return is based on $18.61 net diluted book value per share at inception in August 2007 and is calculated assuming the reinvestment of dividends at diluted book value per share and assumes all convertible units were converted into common shares at their issuance dates.

Slide 25 – Capital, Leverage & Portfolio Composition

(1) Excludes U.S. Treasury securities. In determining the debt-to-equity ratio for an individual strategy, equity usage for such strategy is based on an internal calculation that reflects the actual amount of capital posted to counterparties in connection with such strategy's positions (whether in the form of haircut, initial margin, prime brokerage requirements, or otherwise) plus additional capital allocated to support such strategy's positions, net of adjustments for readily financeable assets and securities that may be sold to increase liquidity on short notice. The Company refers to the excess of its total equity over the total risk capital of its strategies as its "risk capital buffer". If the debt-to-equity ratios for individual strategies were computed solely based on the actual amount of capital posted to counterparties, such ratios would typically be higher. The debt-to-equity ratio does not account for liabilities other than debt financings.
(2) Of deployed capital, 85% allocated to credit and 15% to agency.
(3) Of deployed capital, 82% allocated to credit and 18% to agency.
(4) Of deployed capital, 81% allocated to credit and 19% to agency.
(5) Of deployed capital, 80% allocated to credit and 20% to agency.
(6) Excludes interest only, principal only, equity tranches and other similar investments and REO.
(7) See endnote (5) on slide 3. Excludes tranches of our non-QM securitization trusts, that were sold to third parties, but that are consolidated for GAAP purposes.

Slide 26– Condensed Consolidated Balance Sheet (Unaudited)

(1) Derived from audited financial statements as of December 31, 2021.
(2) Preferred shares issued and outstanding at March 31, 2022, includes 20,421 preferred shares issued during the quarter under the Company's at-the-market preferred stock offering program
(3) Common shares issued and outstanding at March 31, 2022, includes 2,185,000 shares of common stock issued during the quarter under the Company's at-the-market common stock offering program.
(4) Based on total stockholders' equity less the aggregate liquidation preference of our preferred stock outstanding.

Slide 27– Condensed Consolidated Statement of Operations (Unaudited)

(1) Conformed to current period presentation.

Slide 28 – Reconciliation of Net Income (Loss) to Core Earnings

(1) We calculate Core Earnings as U.S. GAAP net income (loss) as adjusted for: (i) realized and unrealized gain (loss) on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps), other secured borrowings, at fair value, and foreign currency transactions; (ii) incentive fee to affiliate; (iii) Catch-up Premium Amortization Adjustment (as defined below); (iv) non-cash equity compensation expense; (v) provision for income taxes; (vi) certain non-capitalized transaction costs; and (vii) other income or loss items that are of a non-recurring nature. For certain investments in unconsolidated entities, we include the relevant components of net operating income in Core Earnings. The Catch-up Premium Amortization Adjustment is a quarterly adjustment to premium amortization triggered by changes in actual and projected prepayments on our Agency RMBS (accompanied by a corresponding offsetting adjustment to realized and unrealized gains and losses). The adjustment is calculated as of the beginning of each quarter based on our then-current assumptions about cashflows and prepayments, and can vary significantly from quarter to quarter. Core Earnings is a supplemental non-GAAP financial measure. We believe that the presentation of Core Earnings provides a consistent measure of operating performance by excluding the impact of gains and losses and other adjustments listed above from operating results. We believe that Core Earnings provides information useful to investors because it is a metric that we use to assess our performance and to evaluate the effective net yield provided by the portfolio. In addition, we believe that presenting Core Earnings enables our investors to measure, evaluate, and compare our operating performance to that of our peers. However, because Core Earnings is an incomplete measure of our financial results and differs from net income (loss) computed in accordance with U.S. GAAP, it should be considered as supplementary to, and not as a substitute for, net income (loss) computed in accordance with U.S. GAAP. The table above reconciles, for the three-month periods ended March 31, 2022 and December 31, 2021 , our Core Earnings to the line on our Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure.
(2) Conformed to current period presentation.
(3) Includes realized and unrealized gains (losses) on foreign currency and unrealized gain (loss) on other secured borrowings, at fair value included in Other, net, on our Condensed Consolidated Statement of Operations.
(4) Adjustment represents, for certain investments in unconsolidated entities, the net realized and unrealized gains and losses of the underlying investments of such entities.

Slide 29– About Ellington Management Group

(1) $13.4 billion in assets under management includes approximately $1.2 billion in Ellington-managed CLOs. For these purposes, the Ellington-managed CLO figure represents the aggregate outstanding balance of CLO notes and market value of CLO equity, excluding any notes and equity held by other Ellington-managed funds and accounts.
(2) Does not include partners formerly employed by Ellington who may have residual capital balances but who no longer have voting rights in the partnership.
(3) See endnote (10) on slide 3.
(4) Registration with the SEC does not imply that the firm or any of its principals or employees possess a particular level of skill or training in the investment advisory or any other business.

Slide 30– Investment Highlights of EFC

(1) See endnote (10) on slide 3.

Ellington Financial

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